Exhibit 4 to Disclosure Statement

Assumptions for Projections

Exhibit 4

Assumptions accompanying Projections

A. *Scenarios*. The Projections were prepared as two separate presentations dependent upon the outcome of the Lien Adversary.

B. *Revenues*.
   i. Beginning day rates are at current contract rates for the respective rigs.
   ii. Day rates for Years 2 forward are projected to remain constant with the exception of Rig 22 which is projected to increase to rates comparable to Rigs 3 and 48 upon expiration of the current contract.
   iii. Rig Utilization assumes near current utilization remains constant for Year 1, but thereafter is reduced to 75% to allow for mobilization, maintenance and repairs, other down time and to allow a contingency for economic unknowns.

C. *Direct Drilling Costs*.
   i. Labor Costs are based upon present rates and remain constant; the decrease in labor costs in Years 2 forward is the result of the commensurate projected decrease in utilization.
   ii. Labor burden is established upon historical costs based on a per rig, per day basis and includes but is not limited to employer payroll taxes, employee benefits, employee per diem and workers compensation insurance.
   iii. Repairs/Supplies/Shop/Safety costs includes but is not limited to the costs of repairs, maintenance and supplies.
   iv. Insurance includes property and casualty coverage, general liability, umbrella and motor vehicle insurance costs.
   v. Rental Equipment includes the cost of renting various equipment from third parties necessary for drilling operations.
   vi. Property Tax includes *ad valorem* assessments by various local and state taxing authorities.

D. *Gross Profit* (revenues less cost of goods sold/direct drilling costs). Gross profits are projected, as a percentage of revenues, to average 37% for Year 1 and 38% thereafter. The projected increase in gross profit is the direct result of the improved day rate forecast for Rig 22.

E. *Sales & Marketing and General & Administrative Expenses* ("**SG&A**"). SG&A as a percent of total revenues is expected to average 10% for year 1 and 12% thereafter. The increase in SG&A as a percentage of revenue results primarily from the decrease in projected utilization. These costs include the cost of sales, marketing, management, litigation expense and other indirect costs.

F. *EBITDA*. EBITDA is defined for purposes of the Projections as earnings before interest expense, income tax provision, depreciation and amortization. EBITDA is presented because it is generally accepted as providing useful information regarding a company's ability to service and/or incur debt. EBITDA should not be considered in isolation from or as a substitute for net income, cash flows from operating activities and other consolidated income or cash flow statement data prepared in accordance with generally accepted accounting principles or as a measure of profitability or liquidity. EBITDA as a percent of total revenues is expected to average 26%.

G. *Interest Expense*. Interest expense has been calculated based upon the rates and other provisions contained in the Plan.

H. *Income Taxes*. The Projections assume the average combined federal, state and local income tax rate is estimated at 39%.

I. *Investing Activities Drilling Equipment*. These cash outflows consist of large maintenance costs, fixed asset purchases, environmental, and other capital expenditures. The Projections assume a level of capital expenditures that can be supported by the capital structure and forecasted operating results.

J. *Debt Reserve Account Amounts*. Amounts projected to be held in the Debt Reserve Account are reflected on the Balance Sheets and reflect the projected accumulated cash balance at the end of Year 10.

K. *Odyssey Claim*. Not currently on the Balance Sheet, and not included in the stated amount of Other Assets, is a general unsecured litigation claim of $1,060,000 in the pending Chapter 11 case of Odyssey Petroleum Corp. (US). Company management has not recognized this claim as the status of its collection is unknown at this time, although as of May 31, 2011, recovery is believed to be likely. The Company will all recovered amounts under this category if and when collected.